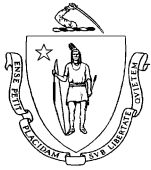


Request for Response
MMDT Investment Consultant
Commonwealth of Massachusetts
February 7th, 2012

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Request for Response

Office of the State Treasurer and Receiver-General

Address: One Ashburton Place, 12th Floor, Boston, Massachusetts 02108
Telephone #: (617) 367-3900; Fax #: (617) 367-3645
Internet Address: <http://www.state.ma.us/treasury>
RFR File Name/Title: MMDT Investment Consultant
RFR File Number: **TRE RFR CASH FAS 2012**
RFR Contact Person: Anjali Wali

I. SUMMARY AND PURPOSE

The Treasurer and Receiver-General of the Commonwealth of Massachusetts requests responses from qualified firms interested in providing general investment consultant services to the Massachusetts Municipal Depository Trust (MMDT). More detailed descriptions of these services are set forth under SECTION VI. A. SCOPE OF SERVICES.

Investment Consultants submitting responses are subject to the provisions in SECTION IV. SPECIFICATIONS, REQUIREMENTS AND COMPONENTS and must meet the PHASE ONE REQUIREMENTS detailed in SECTION V., Subsections A. MINIMUM QUALIFICATIONS and B. LEGAL AND OTHER REQUIREMENTS and submit mandatory documents as described in SECTION V., Subsection C. MANDATORY ATTACHMENTS AND ENCLOSURES.

II. GENERAL INFORMATION

To the maximum extent possible the Office of the State Treasurer and Receiver-General (the "Treasury") is following the rules and regulations set forth in 801 Code of Massachusetts Regulations ("CMR") 21.00: Procurement of Commodities and Services in this Request for Response ("RFR"). All terms, conditions, requirements and procedures included in this RFR must be met for a response to be qualified as responsive. A response that fails to meet any material term, condition, requirement or procedure of this RFR may be deemed unresponsive and disqualified. The Treasury reserves the right to waive or permit cure of non-material errors or omissions. **The Treasury reserves the right to modify, amend or cancel the terms of the RFR at any time.** Unless otherwise specified, all communications, responses and documentation regarding this RFR must be in English, all measurements must be provided in feet, inches and pounds and all cost proposals or figures in U.S. Currency. All responses must be submitted in accordance with the specific terms of this RFR. No electronic responses may be submitted in response to this RFR

This RFR is in accordance with the World Trade Organization Government Procurement Agreement.

Copies of this RFR may be obtained electronically at the Treasury website at <http://www.mass.gov/treasury> and on Comm-PASS at <http://www.comm-pass.com/>.

The Procurement Management Team “PMT” reserves the right to modify, amend or cancel the terms of this RFR at any time.

III. RFR CALENDAR, INSTRUCTIONS AND EVALUATION PROCESS

A. RFR CALENDAR/TIMELINE

This section provides the anticipated timeline for the Treasury’s RFR and vendor selection process with respect to the services sought herein. All dates are subject to modification by the Treasury at any time, with notice.

- Issuance of RFR February 7th, 2012
- Bidder Question Deadline February 17th, 2012
- Post Answers to Bidder Questions February 22nd, 2012
(Posted on Comm-PASS at <http://www.comm-pass.com/>
and <http://www.mass.gov/treasury>)
- RFR Bidder Submission Deadline March 9th, 2012 by 4:00 PM EST
- Interviews/Oral Presentations (OPTIONAL) Week of March 26th, 2012
(Estimated schedule subject to change)
- Approximate Contract Award Date April 6th, 2012

NOTE: Questions concerning the RFR must be submitted to the RFR Contact Person in writing:

Anjali Wali, Procurement Manager
Office of the State Treasurer and Receiver-General
ATTN: MMDT Investment Consultant
One Ashburton Place, 12th Floor
Boston, Massachusetts 02108
Email Address: awali@tre.state.ma.us
Fax: (617) 367-3645

B. RFR INSTRUCTIONS

1. **Response Submission.** The original (meaning a handwritten signature using blue ink), plus six (6) hard paper copies, and two (2) compact disks of the Bidder's response and attachments must be delivered to the Treasury in the same sealed package no later than **4:00 PM EST on March 9th, 2012.** **The Cost Proposal may be submitted in the same package as the rest of the response, but must be submitted under separate cover in a separate sealed envelope labeled "Cost Proposal."** Failure to meet this requirement will result in **disqualification of the bid.** Responses and attachments received after this deadline date and time will not be evaluated. A facsimile response will not qualify as a "submission" for deadline purposes in advance of or in lieu of a hard copy submission.

Responses and attachments should be delivered to:

Anjali Wali, Procurement Manager
Office of the State Treasurer and Receiver General
ATTN: MMDT Investment Consultant
One Ashburton Place, 12th Floor
Boston, Massachusetts 02108

2. **Response Format.** Failure to follow these formatting requirements may result in the disqualification of the Bidder's response. Please organize your response in the following order:

- a. Cover Letter
- b. Table of Contents
- c. Executive Summary
- d. Mandatory Attachments (*see* Section III.B.4. Response Provisions and Section V.C. Mandatory Attachments and Enclosures)
- e. Phase Two Questionnaire

NO Cost information shall be included anywhere in the response except in a separate sealed envelope (*see* Sections III.B.1. and III.B.3.).

3. **Cost Proposal.** **The Cost Proposal must be submitted under separate cover from the rest of the response in a separate sealed envelope labeled "Cost Proposal."** Failure to meet this requirement will result in disqualification of the bid. ***See Attachment A for Cost Proposal matrix.***

4. **Response Provisions.** When responding to this RFR, Bidders should take note of the following provisions:

- a. The Treasury reserves the right to request additional information from Bidders responding to this request. Additionally, upon reviewing the responses the Treasury may decide to hold oral presentations/interviews and have certain Firms make oral presentations/come in for interviews.

b. The Treasury reserves the right to reject any and all responses to this request, to waive any minor informality in a response, to request clarification of information from any Bidder responding and to effect any agreement deemed by the Treasury to be in the Commonwealth's best interest with one or more of the Bidders responding. The Treasury reserves the right to amend or cancel this RFR at any time.

c. All responses and their contents will become the sole property of the Commonwealth/Treasury upon receipt by it and will not be returned to the Bidder.

d. The Treasury will not reimburse any Bidder for any costs associated with the preparation or submittal of any response to this request or for any travel and/or per diem incurred in any presentation of such responses.

e. The narrative response should address all items included in each section of the Technical Proposal.

f. The written response (content) shall be limited to replies totaling **no more than 25 pages, front and back**. Any response over this limit, excluding the requested mandatory attachments and exhibits will not be considered.

5. **Disqualification of Responses**. Reasons for disqualification of responses include, but are not limited to:

a. **Late Proposals**: Proposals that are received after the deadline date and time shall be automatically disqualified.

b. **Nonresponsive Proposals**: A response that fails to meet any material term, condition, requirement or procedure of this RFR may be deemed unresponsive and disqualified. The Treasury reserves the right to waive or permit cure of non-material errors or omissions. Non-responsive proposals shall include, but not be limited to those, which fail to address or meet any mandatory item, and those submitted in insufficient number, or in incorrect format.

c. **Collusion**: Collusion by two or more Bidders agreeing to act in a manner intended to avoid or frustrate fair and open competition is prohibited and shall be grounds for rejection or disqualification of a proposal or termination of this contract. Bidders will be required to complete a "Certificate of Non-Collusion" as one of the mandatory attachments.

d. **Debarred Bidders or Subcontractors**: A Bidder who is currently subject to any Commonwealth or federal debarment order or determination, shall not be considered for evaluation by the PMT. If a Bidder's proposal is dependent upon the services of a named subcontractor and the disqualification of this

named subcontractor would materially alter the proposal, then that proposal shall be deemed unresponsive if the named subcontractor is found to be debarred. Proposals that indicate that subcontractors will be used but do not rely on any specifically named subcontractor shall not be deemed unresponsive if the disqualification of a proposed subcontractor will not materially alter the proposal.

C. RFR EVALUATION PROCESS

1. **Evaluation Process.** The RFR Evaluation Process will be conducted in three phases. A review team consisting of staff from the Treasury will complete the Phase One Review for all proposal submissions. The purpose of the Phase One Review is to eliminate any bids that are nonresponsive to the requirements of the RFR. Bids that are deemed to be qualified based on the Phase One Review will be submitted to the PMT for additional review (Phase Two Review). Only after the completion of Phase Two will the sealed cost proposals be opened and evaluated as a part of Phase Three. Prior to the final recommendation, the PMT may request a “Best and Final Offer” from some or all of the Bidders. The PMT will consider any Best and Final Offers made in a reevaluation of Phase Three. The PMT will make a recommendation to the State Treasurer and Receiver-General who will then accept or reject the recommendation of the PMT. The State Treasurer and Receiver-General will make the final selection decision. **(Phase One, Phase Two and Phase Three of this RFR will be evaluated separately).**

a. **Phase One Review:** Bidders’ responses will be reviewed based on listed criteria and completeness of response including mandatory attachments and compliance to submission criteria (refer to Section V. Phase One Requirements beginning on page 18). Bids that do not comply with these components will be rejected and will not proceed to Phase Two Review. The Treasury reserves the right to waive or permit cure of non-material errors or omissions. Staff at the Treasury will conduct this portion of the review. Please complete Attachment D: Mandatory Attachment Checklist to ensure completion of required documents and attach it to the cover letter.

b. **Phase Two Review:** **Qualified bids, based on the Phase One Review, will be considered for additional review in Phase Two.** Scoring criteria for the evaluation of proposals will be as follows:

- 30% – Firm Overview
- 30% – Experience and Knowledge of Personnel
- 30% – Research Capabilities

- 5% – Invest in Massachusetts. All responsive Bidders/Proposers **must** submit with their bids an *Invest in Massachusetts Data Form* (“IMD Form”). See Section IV.C.15. and the “Invest in Massachusetts – Instructions” Attachment for further information.

- 5% – Treasury Supplier Diversity Program (TSDP). The Treasury requires all responsive Bidders to submit a *Treasury Supplier Diversity Program Plan Form* (“TSDP Plan Form”) with its response. (See Section IV.C.14 and the “Treasury Supplier Diversity Program Instructions” Attachment for further information on the TSDP Plan Form and how this section will be scored).

c. Phase Three Review: Cost will be evaluated in relationship to the Phase Two Review and scoring of Bidders' responses. The Phase Two score will represent 80% and Cost will represent 20% of the Phase Three score in order to determine “best value.” The successful bid will be determined based on the one that represents the “best value” overall, meets the needs of the Treasury and achieves the procurement goals.

- 20% – Cost Proposal: Cost will be evaluated based on the fee for services provided.

- 80% – Phase Two Criteria: The total Phase Two score will represent 80% of the Phase Three score.

2. Oral Presentations/Interviews. After completion of Phase One and Phase Two but prior to Phase Three, the PMT shall have the option to invite all or some Bidders to make oral presentations/come in for interviews. The PMT will make the decision on whether or not to have Bidders in for oral presentations/interviews. Oral presentations/interviews provide the PMT with an opportunity to evaluate the Bidder through the presentation of their proposal. The PMT will limit the number of oral presentations/interviews conducted to the top three (3) bidders following the initial Phase II review. If the PMT decides to have more than three (3) Bidders in for oral presentations/interviews, the PMT will invite all Bidders that were evaluated in Phase II, in for oral presentations/interviews. Bidders will not be informed of their rank at the time of the oral presentation/interview. Additionally, the PMT reserves the right to adjust any Phase II score following any oral presentation/interview, and before proceeding on to Phase III.

The time allotments and the format shall be the same for all oral presentations/interviews. The PMT will give the Bidder at least three (3) business days’ prior notice regarding the date of an oral presentation. The PMT may waive the location and medium requirements of an oral presentation/interview upon the written request of a Bidder due to special hardships, such as a Bidder with disabilities or limited resources. In these circumstances the PMT may conduct oral presentations/interviews through an alternative written or electronic medium

(e.g., telephone, videoconference, TTY or Internet). The PMT may require the Bidders assign key personnel to conduct the oral presentation/interview.

A Bidder is limited to the presentation of material contained in its proposal, with the limited exception that a Bidder may address specific questions posed by the PMT or provide clarification of information contained in its proposal. Any correction or modification of the proposal or the presentation of supplemental information shall be considered prejudicial to the interests of other Bidders and fair competition and shall not be permitted. A Bidder's attempt to submit such corrections, modifications or supplemental information during an oral presentation/interview may subject the Bidder's proposal to disqualification. A Bidder's failure to agree to an oral presentation/interview may result in disqualification from further consideration. Oral presentations/interviews may be recorded by the Treasury as a matter of public record.

Please be advised that in the event the PMT elects to invite Bidders in for an oral presentation/interview, those Bidders not selected for an oral presentation/interview will not proceed to Phase Three of the evaluation process and so those bids will not be further considered by the PMT in connection with this RFR.

3. **On-Site Visits (Optional)**. The PMT reserves the right to conduct on-site inspections of any or all Bidder locations at any time prior to the awarding of this contract to verify the Bidder's ability to perform the services required. The PMT shall schedule the time of these site visits and shall provide notice of at least three (3) business days before a visit. Failure to agree to a site visit may result in disqualification of a Bidder's proposal.

IV. SPECIFICATIONS, REQUIREMENTS AND COMPONENTS

By submitting a response to the RFR, the Bidder agrees to comply with all of the RFR required specifications, components and requirements listed below in Sections IV A and B:

A. RFR REQUIRED SPECIFICATIONS

1. **Alternatives**. Unless otherwise specified, Bidders should submit responses proposing alternatives that provide equivalent, better or more cost-effective performance than achievable under the stated RFR specifications. These alternatives may include related services that may be available to enhance performance during the period of the contract. The response should describe how any alternative achieves substantially equivalent or better performance to that of the RFR specifications. The Treasury will determine if a proposed alternative method of performance achieves substantially equivalent or better performance. The goal of this RFR is to provide the best value of commodities and services to achieve the procurement goals of the department. Bidders that propose discounts, uncharged commodities and services or other benefits in addition to the RFR

specifications may receive a preference or additional points under this RFR as specified.

Contractors may also propose alternatives for equivalent, better or more cost-effective performance than specified under the Contractor's original response to enable the department to take advantage of enhanced technologies, commodities or services that become available during the term of the contract.

2. **Best Value Selection and Negotiation.** The PMT and/or the State Treasurer and Receiver-General may select the response(s) that demonstrates the "Best Value" overall, including proposed alternatives that will achieve the procurement goals of the Treasury. The PMT and/or the State Treasurer and Receiver-General and the selected Bidder, or Contractor, may negotiate a change in any element of contract performance or cost identified in the original RFR or the selected Bidder's or Contractor's response, which results in lower costs or in a more cost-effective or better value than was presented in the selected Bidder's or Contractor's original response.

3. **Bidder Communication.** Bidders are prohibited from communicating directly with any employees of the Treasury or any member of the PMT regarding this RFR, except as specified in this RFR, and no other individual Commonwealth employee or representative is authorized to provide any information or respond to any question or inquiry concerning this RFR. Bidders may contact the contact person for this RFR in the event this RFR is incomplete or the Bidder is having trouble obtaining any required attachments electronically through Comm-PASS. Failure to observe this rule will result in disqualification.

4. **Brand Name or Equal.** Unless otherwise specified in this RFR, any reference to a particular trademark, trade name, patent, design, type, specification, producer or supplier is not intended to restrict this RFR to any manufacturer or proprietor or to constitute an endorsement of any service. The Treasury will consider clearly identified offers of substantially equivalent services submitted in response to such reference.

5. **Comm-PASS.** Comm-PASS is the official system of record for all procurement information which is publicly accessible at no charge at **www.comm-pass.com**. Information contained in this document and in each tab of the Solicitation, including file attachments, and information contained in the related Bidders' Forum(s), are all components of the Solicitation.

Bidders are solely responsible for obtaining all information distributed for this Solicitation via Comm-PASS, by using the free Browse and Search tools offered on each record-related tab on the main navigation bar (Solicitations and Forums). Forums support Bidder submission of written questions associated with a Solicitation and publication of official answers. All records on Comm-PASS are comprised of multiple tabs or pages. For example, Solicitation records contain

Summary, Rules, Issuer(s), Intent or Forms and Terms and Specifications, and Other Information tabs. Each tab contains data and/or file attachments provided by the PMT. All are incorporated into the Solicitation.

It is each Bidder's responsibility to check Comm-PASS for:

- Any addenda or modifications to this Solicitation, by monitoring the "Last Change" field on the Solicitation's Summary tab, and
- Any Bidders' Forum records related to this Solicitation (see "Locating an Online Bidders' Forum" for information on locating these records).

The Commonwealth accepts no responsibility and will provide no accommodation to Bidders who submit a response based on an out-of-date Solicitation or on information received from a source other than Comm-PASS.

Bidders may not alter (manually or electronically) the RFR language or any RFR component files. Modifications to the body of the RFR, its specifications, or terms and conditions, which change the intent of this RFR are prohibited and may disqualify a response.

6. **Comm-PASS SmartBid Subscription.** Bidders may elect to obtain an optional SmartBid subscription which provides value-added features, including automated email notification associated with postings and modifications to Comm-PASS records. When properly configured and managed, SmartBid provides a subscriber with:

- A secure desktop within Comm-PASS for efficient record management;
- A customizable profile reflecting the subscriber's product/service areas of interest;
- A customizable listing in the publicly accessible Business Directory, an online "yellow-pages" advertisement;
- Full-cycle, automated email alert whenever any record of interest is posted or updated;
- Access to Online Response Submission, when allowed by the Issuer, to support: paperless bid drafting and submission to an encrypted lockbox prior to close date; electronic signature of OSD forms and terms; agreement to defer wet-ink signature until contract award, if any; withdrawal of submitted bids prior to close date; and online storage of submitted bids.

Every public purchasing entity within the borders of Massachusetts may post records on Comm-PASS at no charge. Comm-PASS has the potential to become

the sole site for all public entities in Massachusetts. SmartBid fees are only based on and expended for costs to operate, maintain and develop the Comm-PASS system.

7. **Conflict of Interest.** Prior to award of any contract, the Bidder/Vendor shall certify in writing to the procuring agency that no relationship exists between the Bidder/Vendor and the procuring or contracting agency that interferes with fair competition or is a conflict of interest, and no relationship exists between the Bidder/Vendor and another person or organization that constitutes a conflict of interest with respect to a state contract. The Treasury may waive this provision, in writing, if these activities of the Bidder/Vendor will not be adverse to the interests of the Commonwealth. No official or employee of the Commonwealth who exercises any function or responsibility in the review or approval of the undertaking or carrying out of this project shall, prior to the completion of the project, voluntarily acquire any personal interest, either directly or indirectly, in this contract or proposed contract.

The Bidder shall provide assurance that it presently has no interest and shall not acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its services hereunder. The Bidder shall also provide assurances that no person having any such known interests shall be employed during the performance of this contract.

8. **Costs.** Costs that are not specifically identified and defined in the Bidder's response, and accepted by the Treasury as part of a contract, will not be compensated under any contract awarded pursuant to this RFR. The Commonwealth will not be responsible for any costs or expenses incurred by Bidders responding to this RFR.

9. **Electronic Communication/Update of Bidder's/Contractor's Contact Information.** It is the responsibility of the prospective Bidder and awarded Contractor to keep current the email address of the Bidder's contact person and prospective contract manager, if awarded a contract, and to monitor that email inbox for communications from the PMT, including requests for clarification. The PMT and the Commonwealth assume no responsibility if a prospective Bidder's/awarded Contractor's designated email address is not current, or if technical problems, including those with the prospective Bidder's/awarded Contractor's computer, network or Internet service provider (ISP) cause email communications sent to/from the prospective Bidder/awarded Contractor and the PMT to be lost or rejected by any means including email or spam filtering.

10. **Environmental Response Submission Compliance.** In an effort to promote greater use of recycled and environmentally preferable products and minimize waste, all responses submitted should comply with the following guidelines:

- All copies should be printed double sided.

- All submittals and copies should be printed on recycled paper with a minimum post-consumer content of 30% or on tree-free paper (i.e., paper made from raw materials other than trees, such as kenaf). To document the use of such paper, a photocopy of the ream cover/wrapper should be included with the response.
- Unless absolutely necessary, all responses and copies should minimize or eliminate use of nonrecyclable or nonreusable materials such as plastic report covers, plastic dividers, vinyl sleeves, and GBC binding. Three-ringed binders, glued materials, paper clips, and staples are acceptable.
- Bidders should submit materials in a format which allows for easy removal and recycling of paper materials.
- Bidders are encouraged to use other products that contain recycled content in their response documents. Such products may include, but are not limited to, folders, binders, paper clips, diskettes, envelopes, boxes, etc. Where appropriate, bidders should note which products in their responses are made with recycled materials.
- Unnecessary samples, attachments or documents not specifically asked for should not be submitted.

11. **Estimated Provisions.** The Treasury makes no guarantee that any commodities or services will be purchased from any contract resulting from this RFR. Any estimates and/or past or current procurement volumes referenced in this RFR are included only for the convenience of Bidders, and are not to be relied upon as any indication of future purchase levels.

12. **HIPAA: Business Associate Contractual Obligations.** Bidders are notified that any department meeting the definition of a Covered Entity under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) will include in the RFR and resulting contract sufficient language establishing the successful bidder's contractual obligations, if any, that the department will require in order for the department to comply with HIPAA and the privacy and security regulations promulgated thereunder (45 CFR Parts 160, 162 and 164) (the Privacy and Security Rules). For example, if the department determines that the successful bidder is a business associate performing functions or activities involving protected health information, as such terms are used in the Privacy and Security Rules, then the department will include in the RFR and resulting contract a sufficient description of business associate's contractual obligations regarding the privacy and security of the protected health information, as listed in 45 CFR 164.314 and 164.504 (e), including, but not limited to, the bidder's obligation to: implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the protected

health information (in whatever form it is maintained or used, including verbal communications); provide individuals access to their records; and strictly limit use and disclosure of the protected health information for only those purposes approved by the department. Further, the department reserves the right to add any requirement during the course of the contract that it determines it must include in the contract in order for the department to comply with the Privacy and Security Rules. Please see other sections of the RFR for any further HIPAA details, if applicable.

13. **Minimum Bid Duration.** Bidder responses/bids made in response to this RFR must remain in effect for 120 days from the date of bid submission and thereafter until either the Bidder withdraws the response in writing, a contract is executed or the procurement is canceled, whichever occurs first.

14. **Public Records.** All responses and information submitted in response to this RFR are subject to the Massachusetts Public Records Law, Massachusetts General Laws (“M.G.L.”), Chapter 66, Section 10, and Chapter 4, Section 7, Subsection 26. Any statements in submitted responses that are inconsistent with these statutes will be disregarded. Bidders are advised that all proposals are deemed sealed, and therefore their contents will be treated as confidential and will not be disclosed to competing Bidders until the evaluation process has been completed, the contract has been awarded and negotiations are finalized.

15. **Reasonable Accommodation.** Bidders with disabilities that seek reasonable accommodation, which may include the receipt of RFR information in an alternative format, must communicate such requests in writing to the contact person. Requests for accommodation will be addressed on a case-by-case basis. A Bidder requesting accommodation may be required to confirm his or her request in writing to the contact person. The request must state that it is based on a disability and specifically identify the accommodation desired. Although entities of the Commonwealth will make all reasonable efforts to accommodate the requests of Bidders with disabilities, they reserve the right to reject unreasonable requests.

16. **Restriction on the Use of the Commonwealth Seal.** Bidders and contractors are not allowed to display the Commonwealth of Massachusetts Seal in their bid package or in any subsequent marketing materials if they are awarded a contract. Use of the coat of arms and the Great Seal of the Commonwealth for advertising or commercial purposes are prohibited by law.

17. **Prohibition against Selling or Distributing Information.** Any Bidder awarded a contract under this RFR is prohibited from selling or distributing any information collected or derived from the contract and/or procurement process, including lists of participating or eligible Commonwealth of Massachusetts employee names, telephone numbers, email addresses or addresses.

B. COMPONENTS OF PROCUREMENT

1. **Duration and Renewal Options.** The State Treasurer and Receiver-General intends to enter into a three (3) year contract with the selected Bidder(s) for the services solicited in this RFR. The State Treasurer and Receiver-General may, at his option, extend the contract for additional one year period(s) for a maximum contract term not exceeding ten (10) years, under the same or better terms and conditions as negotiated if deemed in the best interest of the Commonwealth. Bidders who offer price guarantees for the life of the contract will be held to that offer or such better terms as are negotiated.

2. **Acquisition Method.**

- | | |
|---|--|
| <input type="checkbox"/> Outright Purchase | <input type="checkbox"/> Term Lease |
| <input type="checkbox"/> License | <input type="checkbox"/> Lease Purchase |
| <input checked="" type="checkbox"/> Fee for Service | <input type="checkbox"/> Rental (not to exceed six (6) months) |
| <input type="checkbox"/> Tax-exempt Lease Purchase | <input type="checkbox"/> Other (specify) |

3. **Single or Multiple Contracts.** The State Treasurer and Receiver-General reserves the right to award the contract to a single vendor or multiple vendors, in the best interest of the Treasury and the Commonwealth of Massachusetts. The Bidder must agree to cooperate with such other Bidders, and must not commit or permit any act that may interfere with the performance of work by any other Bidder.

4. **Contract Guidelines.** (Those that apply are checked.)

- ☒ Only the Treasury may contract under RFR
- ☐ Option to allow other Departments/political subdivisions to contract under RFR
- ☐ Statewide Contract
- ☐ Multi-Treasury User Contract
- ☐ Pre-Qualification List

5. **Anticipated Expenditures, Funding or Compensation for Expected Duration.** Subject to selected Bidder's quotes and rates, subject to negotiation.

6. **Contract Performance and Additional Business Specifications.**

a. **Evaluation and Selection of Contractor.** The Treasury shall have sole authority to evaluate and make the final selection of Bidder(s) for contract negotiation(s) pursuant to this RFR. The selection will be made after evaluation of both technical and cost proposals by the PMT and final approval by the State Treasurer and Receiver-General.

b. **Change in Terms.** The Treasury reserves the right to modify the specifications identified in the RFR at any time prior to the closing date. The Treasury reserves the right to negotiate with the selected Bidder(s) as to any element of cost or performance, including without limitation, elements identified

in the RFR and/or the selected Bidder's response in order to achieve the best value for the Commonwealth. The Treasury reserves the right to request from any Bidder a "best and final offer" as to the Bidder's proposal or cost proposal.

c. Termination or Suspension. Vendor/Contractor's services may be terminated or suspended from the Treasury's contract for various reasons, including but not limited to poor performance, failure to perform, fraud or other cause immediately upon written notice by the Treasury. Vendors/Contractors may be terminated from the contract without cause upon thirty (30) days prior written notice. The Vendor/Contractor may not terminate the contract or performance thereunder except upon a minimum of 180 days written notice to the Treasury. Other terms regarding contract termination are subject to negotiation between the selected Bidder(s) and the Treasury.

d. Permits and Compliance. The Vendor/Contractor shall procure and pay for all permits, licenses and approvals necessary to perform the services solicited in this RFR. The Vendor/Contractor shall comply with all applicable laws, ordinances, rules, orders and regulations related to the performance of the services solicited. The Treasury may, at its option, request documentation evidencing the Vendor/Contractor's compliance.

e. Rejection of Proposals. The Treasury reserves the right to reject any and all proposals submitted under this solicitation.

f. Fees Subject to the Treasury Signatory Authorization. All fees must be approved by the State Treasurer and Receiver-General or his designee and are subject to verification of performance.

g. Confidentiality Policy Regarding Bidder's Support Staff and/or Vendors. The Treasury may require Bidders' support staff or outside vendors to sign a confidentiality agreement for the confidential information they will have or have access to.

h. Subcontracting Policies. Prior approval of the department is required for any subcontracted service of the contract. Contractors are responsible for the satisfactory performance and adequate oversight of its subcontractors. Human and social service subcontractors are also required to meet the same state and federal financial and program reporting requirements and are held to the same reimbursable cost standards as Contractors.

i. Contract Expansion. If additional funds become available during the contract duration period, the department reserves the right to increase the maximum obligation to some or all contracts executed as a result of this RFR or to execute contracts with Contractors not funded in the initial selection process, subject to available funding, satisfactory contract performance and service or commodity need.

j. Concurrent Contracts Running (Renewals and Transitions). The Treasurer and Receiver-General shall cancel the contract if funds are not appropriated or otherwise made available to support continuation of performance in any fiscal year succeeding the first year or if satisfactory performance by the Contractor does not ensue. The Treasurer and Receiver-General will also have the right to sole discretion in exercising an option to renew, which will not be subject to Contractor acceptance or agreement. Any assistance required for this transition must be provided in a smooth and timely manner. If at any time the contract is canceled, terminated or expires, and a contract is subsequently executed with a firm other than the Contractor, the Contractor has the affirmative obligation to assist in the smooth transition of contract services to the subsequent Contractor.

k. Pricing: Federal Government Services Administration (GSA) or Veteran's Administration Supply. The Commonwealth reserves the right to request from the successful Bidder(s) initial pricing schedules and periodic updates available under their GSA or other federal pricing contracts. In the absence of proprietary information being part of such contracts, compliance for submission of requested pricing information is expected within thirty (30) days of any request. If the Contractor receives a GSA or Veteran's Administration Supply contract at any time during this contract period, it must notify the Commonwealth contract manager. The Commonwealth requires the same rate if it is more favorable.

l. Pricing: Price Limitation. The Bidder must agree that no other state or public entity customer within the United States of similar size and with similar terms and conditions shall receive a lower price for the same commodity and service during the contract period, unless this same lower price is immediately effective for the Commonwealth. If the Commonwealth believes that it is not receiving this lower price as required by this language, the Bidder must agree to provide current or historical pricing offered or negotiated with other state or public entities at any time during the contract period in the absence of proprietary information being part of such contracts.

m. Submission of Proposal Materials and Oral Presentation. All materials, representations and submissions made within the proposal and at the oral presentation are subject to becoming part of the contract binding the selected bidder to uphold the materials, representations and submissions made by the selected bidder within the proposal and at the oral presentations.

n. Fiduciary Status of the Consultant; Chapter 268A. With respect to the performance of its duties and responsibilities hereunder, the Consultant/Contractor/Firm acknowledges that it is a fiduciary, and that the Consultant/Contractor/Firm will discharge its duties and responsibilities under this Agreement in accordance with the fiduciary standards of conduct and other requirements as they apply to the Consultant/Contractor/Firm. The Consultant/Contractor/Firm is advised of the existence of Massachusetts General

Laws, Chapter 268A (the Massachusetts "Conflict of Interest" statute), and is required to act and perform its duties in accordance with such provisions.

V. PHASE ONE REQUIREMENTS

Compliance with all criteria listed below is **mandatory** in order for a bid to be accepted for further review. Lack of compliance with the Phase One criteria will automatically disqualify the Bidder. Phase One of Bidder's response should demonstrate compliance with each of the conditions qualifying an institution to propose as outlined below.

A. MINIMUM QUALIFICATIONS

Bidders submitting Proposals must meet the following minimum qualifications to be given further consideration in the Treasury's search for an investment consultant for the MMDT. Failure of a Bidder to meet the minimum qualifications applicable to this RFR for general investment consultant services to the MMDT will result in immediate rejection. The Bidder's response to each minimum qualification component should be "yes" or "no" followed by a detailed statement of explanation. **Please be advised that Bidders are requested to specifically describe how the Bidder meets each of these minimum qualifications. The Bidder may elaborate on its responses to this section on the "Representations and Warranties" attachment (See Attachment B).**

1. As of December 31, 2011, the Firm must service clients with investment consulting services whose assets aggregate to at least \$5.0 billion.
2. As of December 31, 2011, the primary consultant assigned to the MMDT account (the Primary Consultant) must have at least five (5) years experience in (i) serving as Primary Consultant to public or private investment trust; and/or (ii) serving as chief executive officer, executive director or chief investment officer of a public or private trust with assets of at least \$5.0 billion.
3. Since 2005, either the Firm or its proposed consultants must have served as consultant in the preparation or revision of general investment policy guidelines for at least one public or private investment trust with assets of at least \$5 billion.
4. The Firm or its proposed consultants must maintain or have access to a database of domestic investment managers detailing both qualitative and quantitative analysis.

B. LEGAL AND OTHER REQUIREMENTS

***On the Bidder's letterhead, signed by an individual with the authority to bind the Firm, please address/respond to each of the requirements listed in this section. (Where you are asked to provide documentation, please just indicate whether or not the requested document(s) has been attached.)**

1. **Solvency.** Certification that the Bidder has not been in bankruptcy and/or receivership within the last three (3) calendar years.
2. **Corporate Good Standing.** If incorporated, identification of the Bidder's state of incorporation and a statement that it is in good standing in that state and has complied with all filing requirements of the state of incorporation. If the state of incorporation is not Massachusetts, please also include a statement that the company agrees to comply with all filing requirements of the Massachusetts Secretary of the Commonwealth within thirty (30) days of contract award if selected.
3. **Licenses and Registrations.** A statement that the Bidder meets all applicable state and federal requirements, and has all the licenses and registrations necessary to perform the contract.
4. **Pending Litigation.** Details of any pertinent judgment, criminal conviction, investigation or litigation pending against the Bidder or any of its officers, directors, employees, agents, or subcontractors of which the Bidder has knowledge or a statement that there are none. The Office of the State Treasurer and Receiver-General reserves the right to reject a response based on this information. If separate responses are required for different divisions or subsidiaries of the Bidder, the Bidder must submit a separate response for each division or subsidiary.
5. **Compliance with RFR Requirements.** A statement that the Bidder agrees to meet every specification, requirement or condition set forth in the RFR. (This statement will not be deemed to encompass any requirement or condition for which the RFR indicates that a preference may or will be given by the Treasury. Only a Bidder seeking the preference must meet any such requirement or condition.)
6. **Fidelity Bond or Certificate of Liability Insurance.** A copy or proof of any fidelity bond or liability insurance policy extending to any or all employees who perform work under the contract are covered.
7. **Cease and Desist.** If selected for any services solicited through this RFR, the financial institution must agree to immediately notify the Treasury of any cease and desist order issued.
8. **Confidentiality.** The Bidder must submit a statement acknowledging that all materials and information provided to the Contractor by the Treasury or acquired by the Contractor on behalf of the Treasury shall be regarded as confidential information in accordance with federal and state law and ethical standards. The Contractor must take all necessary steps to safeguard the confidentiality of such materials or information. Furthermore, each party will sign a mutually agreed-upon confidentiality statement.

C. MANDATORY ATTACHMENTS AND ENCLOSURES

Phase One of the Bidder's response shall include the completed mandatory attachments listed below. **All mandatory attachments should be signed by an individual with the authority to bind the Firm.** Any attachments referenced in this RFR as a document required to be filed can be found in Comm-PASS with this RFR. Many of the required documents referenced in this RFR are also available at the OSD website, www.mass.gov/osd, in the OSD Forms section.

These documents may be downloaded and printed for you to complete and submit. If you do not understand these instructions or you require additional assistance, please contact the OSD/Comm-PASS help desk at 1-888-627-8283. Note: The mandatory attachments indicated below are in addition to the inclusion of the RFR questions and answers and must be attached to the Bidder's response.

Please complete Attachment D ("Mandatory Attachment Checklist") to ensure completion of each mandatory item and attach it to the cover letter. The Bidder's response must include all completed mandatory attachments/items listed below:

1. **Cover Letter.** (Signed.) The response must include an original (meaning a handwritten signature using blue ink) and five (5) hard paper copies of the cover letter, which will be considered an integral part of the Proposal. The cover letter must be signed by at least one individual who is authorized to bind the Firm contractually and must include:
 - The Firm name
 - The Firm address
 - The Firm telephone/fax number/email address
 - The client contact
 - The title or position which the signer of the cover letter holds in the Firm
 - A statement to the effect that the Proposal is a firm and irrevocable offer that will be valid for 120 days from the date of submission
2. **Executive Summary.** Please submit an Executive Summary consisting of not more than three (3) pages that summarize the contents of the response with the Firm's name located on the top of the page. The Executive Summary shall be attached to the cover letter.
3. **Questionnaire.** See section VII (Signed).
4. **Cost Proposal.** (Signed.) The original (meaning a handwritten signature using blue ink) and five (5) copies of the cost proposal, contained in **Attachment A** (the "Cost Proposal"), must be placed in a separate, sealed envelope, clearly identified on the outside as "Cost Proposal submitted by (COMPANY NAME)". **(Please see Section III.B.3 of this RFR for more specific instructions.)**

5. **Representations and Warranties.** (Signed.) The Representations and Warranties contained in **Attachment B** must be completed and signed by an authorized officer of the Firm. (For the original, the Treasury requests that this be a handwritten signature using blue ink.)
6. **Disclosure Statement.** (Signed.) Attached to this RFR, as Attachment C, is a Disclosure Statement that each Firm submitting a Proposal must complete and submit. (For the original, the Treasury requests that this be a handwritten signature using blue ink.)
7. **Consultant Contractor Mandatory Submission Form.** (Completed/ Signed.) Each Bidder must complete and return this form with its response, even if not applicable, in order to be considered responsive. (For the original, the Treasury requests that this be a handwritten signature using blue ink.)
8. **Commonwealth Terms and Conditions.** (Signed.) The Commonwealth Terms and Conditions shall be incorporated by reference into any contract for services executed pursuant to this RFR. Complete all blanks and required information fully and accurately without modification. (For the original, the Treasury requests that this be a handwritten signature using blue ink.)
9. **Standard Contract Form and Instructions.** (Signed.) This form must be executed in order to be awarded a contract. This form must be completed and returned as part of the Bidder's RFR response. This document shall not become a final contract unless and until the Treasury accepts the Bidder's response and the Standard Contract Form is executed by an authorized signatory of the Treasury. (For the original, the Treasury requests that this be a handwritten signature using blue ink.)
10. **Request for Taxpayer Identification Number and Certification (W-9).** (Signed.) The W-9 Form must be completed and signed. (For the original, the Treasury requests that this be a handwritten signature using blue ink.)
11. **Contractor Authorized Signature Verification Form.** (Signed and Notarized.) If the Bidder is a corporation, partnership or other business entity, complete the form as indicated. (For the original, the Treasury requests that this be a handwritten signature using blue ink.)
12. **Business Reference Form.** Bidders must (in addition to questionnaire responses) identify three (3) customer references for which the Bidder has performed similar services to those described in this RFR or customers that can confirm the quality of the Bidder's performance on previous contract work.
13. **Tax Compliance Certification.** (Certificate/Proof of Application.). The Bidder must demonstrate that it is in compliance with all federal and

Commonwealth tax laws (regardless of corporate locations) including M.G.L. Chapter 62C, Section 49A. The Bidder must submit an original or photocopy of a Certificate of Tax Compliance in Good Standing, which has been issued by the Commonwealth of Massachusetts, Department of Revenue (DOR) within the past year. This Certificate may be obtained by submitting a request to:

Taxpayer Services Division, Certificate Unit
Department of Revenue
PO Box 7066
Boston, Massachusetts 02204
(617) 887-6550

The application must list the tax types for which the business is liable, including such items as meals, room occupancy, sales, use, withholding, corporate income and others as applicable. The issuance of the certificate normally takes several weeks, and as such, Bidders should indicate that their request for a certificate is sought in connection with a Commonwealth solicitation (with a deadline). If the Bidder does not submit the requested tax certificate with the proposal, the Bidder must submit documentation evidencing that the appropriate application has been filed. Evidence includes: facsimile transmittal, mailing receipt, receipt-stamped application, etc. The Certificate must be issued and provided to the Treasury prior to the final execution of the Standard Contract Form.

14. Treasury Supplier Diversity Program (TSDP) Plan Form. (Signed.) The Treasury is committed to developing and strengthening Minority- and Women-owned Business Enterprises (M/WBEs) and expanding equal opportunity in the primary and any secondary industries affected by this RFR. Consequently, the Treasury requires all responsive Bidders to submit a *Treasury Supplier Diversity Program Plan Form* (“TSDP Plan Form”) with its response. Bidders that clearly demonstrate the intent to further the development of M/WBEs or the existence of a relationship, which does further these goals, will receive favorable consideration from the PMT. Additionally, a Bidder, which is a Massachusetts SDO certified vendor, may be found “Advantageous”, based on the Bidder’s Massachusetts certification status. (See “Treasury Supplier Diversity Program Instructions” Attachment for further information on the TSDP Plan Form, and how this section will be scored. This Attachment and the TSDP Plan Form can be found on the Comm-Pass Website at www.comm-pass.com under the “Forms and Terms” Tab for this solicitation.)

Treasury Supplier Diversity Program Subcontracting Policies. Prior approval of the Treasury is required for any subcontracted service of the contract. The Treasury may define required deliverables including, but not limited to, documentation necessary to verify subcontractor commitments and expenditures with Minority- or Women-Owned Business Enterprises (M/WBEs) for the purpose of monitoring and enforcing any compliance of subcontracting commitments made in a bidder’s *Treasury Supplier Diversity Program Plan Form*

(TSDP Plan Form). Contractors are responsible for the satisfactory performance and adequate oversight of its subcontractors.

15. **Invest in Massachusetts Plan.** The Treasury encourages investment in our local economy and is committed to advancing the creation and preservation of jobs in the Commonwealth. Consequently, all responsive Bidders/Proposers must submit with their bids an *Invest in Massachusetts Data Form* (“IMD Form”). See the “Invest in Massachusetts – Instructions” Attachment for further information. Both this Attachment and the IMD Form can be found on the Comm-PASS Website at www.comm-pass.com under the “Forms and Terms” Tab for this solicitation).

16. **Certificate of Non-Collusion.** Bidders are advised that they are required to certify that the bid that they are submitting has not been arrived at because of any collusive activity.

17. **Fidelity Bond or Certificate of Liability Insurance.** As directed in Section IV.B.7, of this RFR, Bidders are required to provide a copy or proof of any fidelity bond or liability insurance policy extending to any or all employees who perform work under the contract.

18. **ADV Forms I & II.**

19. **Executive Order 504 Contractor Certification Form.** Effective January 1, 2009, Executive Order 504 establishes new requirements designed to adopt and implement the maximum feasible measures reasonably needed to ensure the security, confidentiality and integrity of personal information, as defined in M.G.L. c. 93H and personal data, as defined in M.G.L. c. 66A, maintained by state agencies (herein collectively “personal information”). This requirement only pertains to contracts that require the Contractor’s access to personal information owned or controlled by the contracting agency and systems that contain such data. The Executive Order applies to all state agencies in the Executive Department, including all executive offices, boards, commissions, agencies, departments, divisions, councils, bureaus and offices, now existing and hereafter established.

VI. SCOPE OF SERVICES AND PHASE TWO QUESTIONNAIRE

A. SCOPE OF SERVICES

The purpose of this RFR is to select one or more Firms to provide investment consultant services to the MMDT, which is overseen by the Treasury. This is a non-exclusive list of the services a Firm will be expected to perform if selected to provide services in accordance with this RFR.

1. **General Investment Policy and Procedures.** At the outset of the engagement and annually thereafter, to review the MMDT Investment Policies and

Procedures and, if necessary, make reasoned recommendations for amendments thereto.

2. **Assessment of the MMDT's Investment Options.** At least annually and also upon request, to prepare and present to the MMDT board, a report evaluating the current structure and investment options.
3. **Performance Analysis.** Provide quarterly performance analysis of the MMDT's investment options, including attribution characteristics, style analysis, risk analysis, peer universe comparison, holdings analysis relative to benchmarks, trading efficiency and compliance violation reports.
4. **Manager Oversight.** Provide analysis and advice on questions or issues that arise in the course of overseeing the MMDT investment options.
5. **Manager Search Selection and Termination.** Provide analysis, advice and assistance on the search, selection of investment managers, including:
 - a. Provide access to a database of investment managers, including their philosophies, organizations, performance and clients.
 - b. Assist the Commonwealth in evaluating and conducting searches, including but not limited to (i) development of Request for Response; (ii) screening of investment managers; (iii) preparation of background material; (iv) participation in the interview process; (v) provide a written recommendation concerning the selection of the investment manager and present to the MMDT Advisory Board.
6. **Due Diligence.** Accompany Treasury staff on due diligence trips to review investment managers.
7. **Attendance at MMDT Meetings.** Attend MMDT Advisory Board meetings (usually twice a year) and present market and manager performance data.
8. **General Research and Analysis.** Upon request of the Treasury staff, provide ongoing research, analysis and advice on specific investment issues.

B. PHASE TWO QUESTIONNAIRE

Along with the above-reference mandatory requirements, the Bidder must submit responses to the following Questionnaire.

VII. PHASE TWO QUESTIONNAIRE

BASIC INFORMATION

FIRM NAME: _____

ADDRESS: _____

TELEPHONE #: _____

FACSIMILE #: _____

EMAIL ADDRESS: _____

CLIENT CONTACT: _____

SIGNATURE: _____

NAME (PRINT): _____

TITLE: _____

DATE: _____

A. FIRM BACKGROUND AND GENERAL DESCRIPTION

1. Please provide a brief history of the Firm, including organizational structure and ownership.
2. Please provide a brief history of the experience of the consultants.
3. Is the Firm, its parent or affiliate a registered investment advisor with the SEC under the Investment Advisers Act of 1940? If not, what is the fiduciary classification? Please state whether the Firm is or is not a fiduciary (as the term is defined by the Employee Retirement Income Security Act of 1974 [ERISA]).
4. Since 2001, has the Firm, the Primary Consultant(s), or another officer or principal been involved in any business litigation, regulatory or other legal proceedings or government investigation involving allegations of fraud, negligence, criminal activity or breach of fiduciary duty relating to pension consulting activities? If so, please describe, provide an explanation and indicate the current status.
5. Please describe the levels of coverage for errors and omissions insurance and any other fiduciary or professional liability insurance the Firm carries. List the insurance carriers supplying the coverage.
6. Please describe any significant developments in the organization, which have occurred since June 30, 2005.
7. Describe the Firm's compensation arrangements for senior management and Primary Consultant(s), including any incentive and bonus programs.

B. References

Please provide three (3) references that we may contact.

C. Independence of Judgment and Freedom from Conflicts of Interest

1. Does the Firm or any affiliate serve as an investment manager for clients?
2. Does the Firm or any affiliate act as a securities broker-dealer?
3. Does the Firm accept soft dollars as a method of payment for services?
4. Does the Firm have any potential conflicts of interest with the Commonwealth of Massachusetts Office of the State Treasurer and Receiver-General or any department thereof?
5. List all investment management firms from which the Firm or any of its affiliates has received any compensation since January 1, 2008.

6. If the Firm or any affiliate provides investment management services, brokerage or other services to investment managers, describes how conflicts of interest are managed, disclosed or prevented.

D. Experience and Knowledge

1. Please name and include a brief resume of the person(s) you propose to be Primary Consultant(s). Please state, which of the Firm's offices would service this account.
2. Please identify all principals of the Firm and designate which individuals, including research and systems support personnel, will be committed to the account. Include the length of experience in pension consulting services, any specialty expertise they possess and the highest educational degree they have attained.

| <u>Name</u> | <u>Title</u> | <u>Years at Firm</u> | <u>Consulting Experience</u> | <u>Education</u> |
|-------------|--------------|----------------------|------------------------------|------------------|
|-------------|--------------|----------------------|------------------------------|------------------|

3. Please provide biographical data on all the individuals listed above.
4. Please explain how the team dedicated to the account would function, including Primary Consultant(s), back-up, quality control, research and support services.
5. Will the Primary Consultant(s) committed to the account consult for the MMDT exclusively? If not, how many client relationships will the Primary Consultant(s) have other than this account? What are the client/consultants and client/support personnel ratios for the Firm?
6. Please list the Primary Consultant's current clients and engagements by asset size, type of client (e.g., public fund, corporate fund, endowment) and type of engagement (e.g., general consulting services, project-based service).
7. What is your assessment of the current investment manager roster?
8. What is the Firm's competitive advantage in providing consulting services to the MMDT?

E. Research Capabilities

1. Describe the internal structure and organization the Firm's research department.
2. Describe the manner in which internal and external resources and sources of information are used in the research process. How does the Firm integrate internal and external research?
3. Please describe the type and frequency of research that will be provided to the MMDT. Does the Firm provide research reports other than those specifically requested

by the client? Please attach as an exhibit labeled SAMPLE RESEARH REPORT to the response.

4. Outline the Firm's process and capabilities for monitoring and reporting of market trends.
5. Describe the Firm's processes and sources of data for analyzing, monitoring and reporting the performance of the MMDT's investment options.
6. Describe the Firm's process for evaluating and selecting investment managers. Include how the Firm evaluates a manager's personnel and organization, investment philosophy, investment style, products, research, risk controls and monitoring, assets under management, client services, fees and modeling capabilities. Also, how does the Firm evaluate an investment management firm's financial condition, control environment and stability?
7. Describe the Firm's process for monitoring investment managers. Relate the process to the client's goals, objectives and investment philosophy. Include, the monitoring of performance, risk, style, contract compliance, account restrictions, reporting requirements and trading efficiency.

F. Additional Information

Please provide the following sample reports as exhibits:

1. Investment Policy and Procedures Statement
2. Manager Oversight (Monitoring) Reports
3. Manager Search Analysis
4. Performance Attribution (please include a fixed income, international equity and domestic equity)

ATTACHMENT A: COST PROPOSAL

FIRM _____

Proposed Fees

Respondent must submit an annual fee for all services as described under "SCOPE OF SERVICES" in Section VI of this RFR.

All-Inclusive Flat Fee - Year 1 \$ _____

All-Inclusive Flat Fee - Year 2 \$ _____

All-Inclusive Flat Fee - Year 3 \$ _____

TOTAL FEES (Years 1 -3) \$ _____

Disclose all fee relationships with the Commonwealth's current managers and complete the table below if applicable.

| Manager | Service | Fee |
|---------|---------|-----|
| | | |
| | | |
| | | |
| | | |
| | | |

Name of Firm

Date

Signature

Title

ATTACHMENT B: REPRESENTATIONS AND WARRANTIES

Compliance with all criteria listed below is mandatory in order for a bid to be accepted for further review. Lack of compliance will automatically disqualify the bidder. All respondents are required to submit an executed copy of the *Representations and Warranties*.

The Treasury requests that you submit this *Representations and Warranties*, on your letterhead, signed by an individual with the authority to bind the Firm. The Bidder MUST address/respond to each of the requirements/criteria listed in this section.

1. Bidder warrants that it meets, or will meet before the award of the contract, the bonding requirement provided by Section 412 of the Employment Retirement Income Security Act of 1974 (ERISA) or that it carries at least an equivalent fidelity bond that will be applicable to respondent's actions under that contract. **(Provide a copy or proof of a fidelity bond indicating that all employees who perform work under the contract are covered, unless exempt, and an explanation of exemption is attached.)**
2. Bidder warrants that it maintains an errors and omissions insurance policy as well as fiduciary liability insurance providing a prudent amount of coverage for negligent acts or omissions and that such coverage will be applicable to bidder's actions under the contract.
3. Bidder warrants that it will not delegate its fiduciary responsibilities assumed under the contract.
4. Bidder warrants that it has completed, obtained and performed all registrations, filings, approvals, authorizations, consents or examinations required by a government or governmental authority for acts contemplated by the contract.
5. Bidder warrants that it agrees to meet every specification, requirement or condition set forth in the RFR and any additional contract document executed by the parties.
6. Bidder warrants that it meets all of the minimum qualifications applicable to the Firm under this RFR as follows:

Please list each minimum requirement and specifically describe how your Firm meets the applicable minimum qualifications specified in Section V.A. You must provide this information, as well as a signature on the bottom of this document or your submission may not be processed.

1. As of December 31, 2011, the Firm must service clients with investment consulting services whose assets aggregate to at least \$5.0 billion.
2. As of December 31, 2011, the primary consultant assigned to the MMDT account (the Primary Consultant) must have at least five (5) years experience in (i) serving as

Primary Consultant to public or private investment trust; and/or (ii) serving as chief executive officer, executive director or chief investment officer of a public or private trust with assets of at least \$5.0 billion.

3. Since 2005, either the Firm or its proposed consultants must have served as consultant in the preparation or revision of general investment policy guidelines for at least one public or private investment trust with assets of at least \$5 billion.

4. The Firm or its proposed consultants must maintain or have access to a database of domestic investment managers.

Name of Firm

Date

Signature

Title

ATTACHMENT C: DISCLOSURE STATEMENT

COMMONWEALTH OF MASSACHUSETTS OFFICE OF THE STATE TREASURER AND RECEIVER-GENERAL DISCLOSURE STATEMENT

FIRM: _____

ADDRESS: _____

Firms seeking to provide investment management, consulting, custody, recordkeeping, auditing and other professional services (the “engagement”) to the Commonwealth of Massachusetts Office of the State Treasurer and Receiver-General in general, and in particular, to the Massachusetts Municipal Depository Trust (MMDT) must complete a disclosure statement providing complete and accurate responses to the questions below. Firms selected to such services to the Office of the State Treasurer and Receiver-General have a continuing obligation to update responses to these questions, in writing, immediately upon any change to such responses. The questions in this Disclosure Statement should be read broadly, and any perceived ambiguity should be resolved in favor of disclosure. Any questions concerning the disclosures required should be directed to the Office of the State Treasurer and Receiver-General.

1. Describe in detail your Firm’s organizational structure, and identify any controlling stockholders, parents, subsidiaries, affiliates, partners, general partners or principals (all such individuals or entities hereinafter collectively referred to as the “Firm.”)
2. Identify any relationship of the Firm, its joint ventures, consultants, lobbyists, subcontractors, agents or placement agents that relate in any way to the engagement.
3. Aside from the engagement, describe any services provided by the Firm to the Commonwealth.
4. Aside from the services described in response to Question 3, above, describe any services provided by the Firm to the Office of the State Treasurer and Receiver-General or any trust, board, commission or authority of which the State Treasurer and Receiver-General is a member or trustee. (A list of some such entities is attached as Appendix A.)
5. Aside from the services described in responses to Questions 3 and 4, above, describe any services provided by the Firm to the Commonwealth of Massachusetts or any of its political subdivisions.
6. Did or will the Firm provide or share, agree to provide or share, or arrange to provide or share any compensation or benefit, direct or indirect, to any individual or entity for assisting the

Firm in:

- a) obtaining the engagement; or
- b) performing the services required by the engagement?

If the answer to Question 6 is “yes,” provide for each the individual or entity:

- a) the name and address of such individual or entity;
- b) a description of the assistance provided; and
- c) the compensation or benefit.

7. Does the Firm have any ongoing relationship, arrangement or agreement with any individual or entity with respect to sharing compensation for services to:

- a) PRIM;
- b) any trust, board, commission or authority of which the Treasurer is a member or trustee;
or
- c) the Commonwealth of Massachusetts or its political subdivisions?

If the answer to Question 7 is “yes,” provide for each such individual or entity:

- a) the name and address of such individual or entity;
- b) a description of the relationship, arrangement or agreement; and,
- c) the compensation shared.

Signed under the pains and penalties of perjury this ____ day of _____, 2011.

Name: _____
(Print)

Signature: _____

Title: _____

ATTACHMENT D: MANDATORY ATTACHMENT CHECKLIST

(Complete and Attach to the Cover Letter)

Firm Name: _____

Mandatory items as detailed in Section V, subsection C.

(Check appropriate box to insure item is completed and submitted.)

- | | |
|--|---|
| 1. Cover Letter | Yes <input type="checkbox"/> (Signed) |
| 2. Executive Summary | Yes <input type="checkbox"/> (Completed) |
| 3. Questionnaire(s) (Sections VII) | Yes <input type="checkbox"/> (Completed/Signed) |
| 4. Cost Proposal(s) (Attachment A) | Yes <input type="checkbox"/> (Signed) |
| 5. Representations and Warranties (Attachment B) | Yes <input type="checkbox"/> (Signed) |
| 6. Disclosure Statement (Attachment C) | Yes <input type="checkbox"/> (Signed) |
| 7. Consultant Contractor Mandatory Submission Form | Yes <input type="checkbox"/> (Completed/Signed) |
| 8. Commonwealth Terms and Conditions | Yes <input type="checkbox"/> (Signed) |
| 9. Standard Contract Form and Instructions | Yes <input type="checkbox"/> (Signed) |
| 10. Taxpayer Identification Number and Certification (W-9) | Yes <input type="checkbox"/> (Signed) |
| 11. Contractor Authorized Signature Verification Form | Yes <input type="checkbox"/> (Signed and Notarized) |
| 12. Business Reference Form | Yes <input type="checkbox"/> (In Addition to Questionnaire Information) |
| 13. Tax Compliance Certification Form | Yes <input type="checkbox"/> (Certificate/Proof of Application) |
| 14. Treasury Supplier Diversity Program (TSDP) Plan Form | Yes <input type="checkbox"/> (Completed/Signed) |
| 15. Invest in Massachusetts Data (IMD) Form | Yes <input type="checkbox"/> (Completed/Signed) |
| 16. Certificate of Non-Collusion | Yes <input type="checkbox"/> (Signed) |
| 17. Fidelity Bond or Certificate of Liability Insurance | Yes <input type="checkbox"/> |
| 18. ADV Forms | Yes <input type="checkbox"/> |
| 19. Executive Order 504 Form | Yes <input type="checkbox"/> (Signed) |

APPENDIX A: TREASURER'S PRINCIPAL BOARDS, COMMISSIONS AND AUTHORITIES*

1. Finance Advisory Board – M.G.L. c. 6, § 97-8
2. Advisory Board to the Comptroller – M.G.L. c. 7A, § 2
3. Investment Advisory Council – M.G.L. c. 10, § 5B
4. State Retirement Board – M.G.L. c. 10, § 18
5. State Lottery Commission – M.G.L. c. 10, § 23
6. Board of Bank Incorporation – M.G.L. c. 26, § 5 (Division of Banks and Loan Agencies)
7. Water Pollution Abatement Trust – M.G.L. c. 29C, §2
8. Pension Reserves Investment Management Board – M.G.L. c. 32, § 23(2A)
9. Massachusetts School Building Authority – M.G.L. c. 70B, §§ 1A and 3A; *see also* M.G.L. c. 10, § 35BB
10. Teachers' Retirement Board – M.G.L. c. 15, § 16
11. Alcoholic Beverages Control Commission – M.G.L. c. 10, § 70
12. Commonwealth Covenant Fund – M.G.L. c. 10, § 35EE
13. Health Care Security Trust – M.G.L. c. 10, § 4
14. Commission on Firemen's Relief – M.G.L. c. 10, § 21
15. Retirement Law Commission – M.G.L. c. 10, §35I

*Positions on these Boards, Commissions or Authorities may be held by the State Treasurer and Receiver-General, his designee or an individual appointed by him.

APPENDIX B: MMDT CASH PORTFOLIO

I. Structure and Purpose

The Massachusetts Municipal Depository Trust (MMDT or Trust) offers the MMDT Cash Portfolio, an investment pool in which the Commonwealth and its political subdivisions can invest their cash. Its primary purpose is to offer participation in a diversified portfolio of high quality money market instruments that seeks to obtain the highest possible level of current income consistent with preservation of capital and liquidity. Participation in the MMDT Cash Portfolio is open to the Commonwealth and its political subdivisions, including the following:

- Cities, towns and counties
- Housing and redevelopment authorities
- Public retirement systems
- Regional transit authorities
- Regional school districts
- Most special purpose districts and authorities
- State and community colleges
- Certain state and local public agencies

II. Authority for Organization

In 1975, the General Court of the Commonwealth enacted legislation permitting the Commonwealth of Massachusetts State Treasurer and Receiver-General (State Treasurer), with the advice of the Investment Advisory Council, to establish one or more combined investment funds, and to offer participation units in such funds to agencies, authorities, commissions, boards, political subdivisions and other public units. In addition, statutes were amended making purchase of such participation units a legal investment for funds in the custody of such public units (M.G.L. Ch. 29, Sec. 38A) and state and local retirement boards (M.G.L. Ch. 32, Sec. 23(2)(b)).

The enabling legislation also requires the State Treasurer to adopt appropriate accounting procedures to determine the exact earnings of each participant. Accordingly, the State Treasurer established the MMDT to provide an investment pool entirely separate from other financial activities of the Commonwealth. The State Treasurer serves as the Trustee, and has sole authority pertaining to rules, regulations and operations of the Trust. A participant's holdings in the Trust are not subject to creditors of the Commonwealth, nor will the Trust itself be affected by the financial difficulties of any participant. Further, M.G.L. Ch. 44, Sec. 55A, provides that certain local officials, who in good faith and with the exercise of due care purchase units of the Trust, shall not be personally liable to their cities or towns for the loss of funds invested in the Trust due to the Trust's closure.

III. Objective and Strategy

The Trust's Investment Manager seeks to achieve the MMDT Cash Portfolio's investment objectives to obtain as high a level of current income as is consistent with preservation of capital and liquidity within the limitations set forth in this document. The Investment Manager will limit the Cash Portfolio's investments to high quality U.S. dollar denominated 2a-7 eligible money market instruments of domestic and foreign issuers, U.S. Government securities and repurchase agreements, as are authorized for investment pursuant to the statutory requirements to which the Portfolio is subject. Although the Trust's Investment Manager may not buy all of these instruments or use all of these techniques, currently, the statutory requirements to which the Cash Portfolio is subject permit the Trust's Investment Manager to invest the Trust's assets in any of the following permissible investments to achieve the stated investment objectives.

1. Permissible Investments:

- a. Obligations of the U.S. Government and foreign governments and their agencies or instrumentalities;
- b. Supranational and other quasi-governmental organizations' debt obligations;
- c. Obligations of banks (including Yankee and Euro certificates of deposit, commercial paper, time deposits and bankers' acceptances);
- d. Obligations of other companies in the financial services industry, including banks, bank holding companies, savings and loan associations, consumer and industrial finance companies, securities brokerage companies and a variety of firms in the insurance field;
- e. Deposits in any savings bank, cooperative bank, and federal savings and loan institution whose principal office is located in the Commonwealth of Massachusetts;
- f. Short-term corporate obligations, including commercial paper, notes and bonds;
- g. Asset-backed securities;
- h. Overnight and term repurchase agreements and reverse repurchase agreements;
- i. Municipal securities;
- j. 2a-7 eligible extendible, variable and floating rate securities are permitted. Floating rate securities shall approximate amortized cost upon reset. Extendible securities will have an initial maturity not to exceed 397 days and require explicit action by the investor to extend;
- k. U.S. Treasury Separate Trading of Registered and Principal Securities ("STRIPS");
- l. Callable securities.

2. Maturity and Concentration Guidelines:

- a. The Cash Portfolio's assets will be managed to maintain a dollar-weighted average portfolio maturity of 60 days or less.
- b. The Cash Portfolio's assets will be managed to maintain a dollar-weighted average life to maturity of 120 days or less.
- c. The Cash Portfolio will not purchase any security other than cash, direct obligations of the U.S. Government or securities that will mature or are subject to a demand feature that is exercisable and payable within one (1) business day (collectively, "daily liquid assets") if, immediately after the purchase, the Portfolio will have invested less than 10% of its total assets in daily liquid assets.
- d. The Cash Portfolio will not purchase any security other than cash, direct obligations of the U.S. Government, government securities issued by a person controlled or supervised by and acting as an instrumentality of the U.S. Government that are issued at a discount to the principal amount to be repaid at maturity and have a remaining maturity date of 60 calendar days or less, or securities that will mature or are subject to a demand feature that is exercisable and payable within five (5) business days (collectively, "weekly liquid assets") if, immediately after the purchase.

IV. Investment Policies and Restrictions

The MMDT Cash Portfolio's goals are to seek the highest possible level of current income, consistent with preservation of capital and liquidity.

1. The Portfolio will have invested less than 30% of its total assets in weekly liquid assets.
 - a. The Investment Adviser will purchase only instruments with a remaining maturity of 397 days or less, except that (a) "Second Tier Securities" as defined by rule 2a-7 will not have a remaining maturity greater than 45 days, and (b) obligations underlying a repurchase agreement may have a final maturity date of more than 397 days.
 - b. At the time of purchase, no more than 5% of the Portfolio's total assets will be invested in securities of any single issuer except that there is no limitation on the percentage of assets that may be invested in securities of the U.S. Government, its agencies or instrumentalities or in repurchase agreements collateralized fully by such obligations.
 - c. No more than 25% of the total assets of the Portfolio may be invested in any one industry; except there is no limitation on the percentage of assets that may be invested in the financial services industry. No more than 3% of the total assets of the Cash

Portfolio may be invested in Second Tier Securities. In addition, no more than 1/2 of 1% of Cash Portfolio's total assets may be invested in Second Tier Securities of any single issuer.

2. Credit Quality:

The Cash Portfolio's assets will be invested only in First Tier Securities and Second Tier Securities as defined by rule 2a-7.

3. Prohibited Transactions and Limitations:

a. No investments may be made in "derivative" securities whose market value would not approximate par at scheduled interest rate reset dates. Examples of such securities include, but are not limited to the following:

- i. Futures
- ii. Swaps
- iii. Options
- iv. Interest-only and principal-only mortgage-backed
- v. Securities
- vi. Inverse floaters, CMT floaters, leveraged
- vii. Floaters, dual index floaters, COFI floaters, and
- viii. Range floaters
- ix. Structured Investment Vehicles (SIVs)
- x. Collateralized Debt Obligations (CDOs)
- xi. Auction Rate Securities

b. Investments in securities with a floating rate coupon corresponding to short-term money market interest rate benchmarks and which conform to other Treasury maturity and credit standards are not considered derivatives and may be purchased under the condition that interest rate reset periods may not exceed six months.

c. Investments in securities that are illiquid securities (i.e., not readily marketable), other than securities that cannot be sold or disposed of in the ordinary course within seven days at approximately the value ascribed to it by Cash Portfolio, will be limited to no more than 5% of the Cash Portfolio's net assets at the time of purchase.

d. While the Trust's Investment Adviser normally purchases securities with the intention of holding them to maturity, it may, from time to time, engage in portfolio trading in an attempt to maximize total return.

APPENDIX C: MMDT SHORT TERM BOND PORTFOLIO

Structure and Purpose

The Massachusetts Municipal Depository Trust (MMDT or Trust) offers the MMDT Short Term Bond Fund (STBF), an investment pool for the Commonwealth and its political subdivisions to invest assets. The primary purpose of the MMDT STBF is to offer participation in a diversified portfolio of investment-grade debt securities that seeks to obtain a high level of current income consistent with preservation of capital.

Investment Policies and Restrictions

The Trust's Investment Manager will seek to achieve the STBF's investment objective of generating returns that exceed the Barclays Capital 1–5 Year Government/Credit Bond Index (the "benchmark") through investments in investment-grade fixed-income securities. Investments in the MMDT Short Term Bond Fund (the "Portfolio") may include, but are not limited to, the following types of fixed-income securities:

1. Debt obligations issued or guaranteed by the U.S. Government, U.S. Government agencies, or U.S. Government-sponsored corporations or agencies.
2. Debt obligations of domestic and non-U.S. corporations, foreign governmental issuers and supranationals.
3. Mortgage-backed securities, including collateralized mortgage obligations and commercial mortgage-backed securities, and other debt instruments backed by mortgage-backed securities.
4. Asset-backed securities.
5. Debt obligations issued or guaranteed by U.S. local, city and state governments and agencies.
6. Private placements, including securities defined under Rule 144A.
7. Derivative instruments, including futures contracts, option contracts and swap agreements.
8. Other securities not represented in the benchmark, including but not limited to zero-coupon bonds, medium-term notes, structured notes, floating-rate debt and inflation protected securities.
9. Cash or short-term obligations, including but not limited to debt obligations issued by the U.S. Government or Government-sponsored agencies, commercial paper, certificates of deposit, time deposits, bankers acceptances and repurchase agreements.

10. Collective investment vehicles or shares of investment companies (pooled investment vehicles) that invest primarily in fixed-income securities and are managed by Fidelity Investments or its affiliates. Investments in collective investment vehicles and investment companies will be governed by the terms of the investment guidelines of such pooled investment vehicles, notwithstanding anything to the contrary herein. All management fees associated with collective investment vehicles or shares of investment companies shall be credited back to the Portfolio. In no event will the Portfolio invest in the debt of Fidelity Investments or its affiliates. All investments will be denominated in U.S. dollars.

Under normal circumstances, the MMDT STBF will comply with the following guidelines:

1. At time of purchase, if a security is rated, the security must be rated investment-grade (BBB-, the equivalent or higher) by one or more nationally recognized rating organizations. If a security is split rated, the higher rating shall apply. If a security is not rated by any of the nationally recognized rating agencies, such security may be purchased only if Fidelity Investments has assigned an internal investment-grade rating.
2. The average credit quality of the Portfolio shall be at least A-, or the equivalent. For purposes of determining the average credit quality of the Portfolio, debt obligations issued or guaranteed by the U.S. Government, U.S. Government agencies and U.S. Government-sponsored enterprises are deemed to carry an AAA rating.
3. Securities downgraded below investment grade subsequent to purchase may be held subject to Fidelity Investments' discretion. However, the Treasurer's office will be notified when a security is downgraded such that it no longer possesses an investment-grade rating. A subsequent decision to either liquidate the security within 30 days or retain the security in the Portfolio shall be at the sole discretion of the Treasurer.
4. At time of purchase, the maximum investment in the debt of a single issuer or asset-backed-trust will be 5% of the Portfolio. Debt obligations issued or guaranteed by the U.S. Government, U.S. Government agencies and U.S. Government-sponsored enterprises are exempt from this limitation.
5. At time of purchase, the maximum investment in asset-backed securities of any single sponsor will be 10% of the Portfolio. Debt obligations issued or guaranteed by the U.S. Government, U.S. Government agencies and U.S. Government-sponsored enterprises are exempt from this limitation.
6. At time of purchase, the maximum investment in the debt of a single industry will be 25% of the Portfolio. Debt obligations issued or guaranteed by the U.S. Government, U.S. Government agencies and U.S. Government-sponsored enterprises are exempt from this limitation.

7. The interest rate sensitivity of the Portfolio generally will be managed to approximate the expected interest rate sensitivity of the benchmark. Under normal circumstances, the Portfolio's duration shall be managed to be within \pm one half year of the duration of the benchmark. While the Trust's Investment Adviser normally purchases securities with the intention of holding them to maturity, it may, from time to time, also engage in portfolio trading in an attempt to maximize the total return on STBF assets.